

CONGRESS CLEARS RETAILERS OF PROFITTEERING CHARGES

Here is cheerful news for the American retailer. Broadly speaking, he is not the profiteer he has been pictured, and he will be given a rather clean bill of health, in the forthcoming report of the Joint Commission of Agricultural Inquiry.

Chairman Sayney Anderson, forecasting the section of the report which will deal with distribution, said, "A study of the charts and figures containing the information brought out by our Inquiry indicates that during the period of rising prices which we have had under consideration—that is, 1913 to 1921 inclusive—the percentage of margin for operating expense and profit which the retailer took from the dollar paid by the consumer did not increase. In other words, if the proportion of the consumer's dollar the retailer paid for merchandise in 1913 was 70 cents and operating expense and profit 30 cents, the same ratio was retained during the period of 1913 to 1921. In some instances the percentage of margin was reduced. However, the relation between operating expense and profit changed considerably during the period. As operating expenses advanced, profits reduced."

The report will contain a composite chart showing the distribution of the consumer's dollar by the retail dry goods, grocery, shoe, clothing and hardware dealers. For 1913 the gross margin taken by the retailer out of the dollar received from the consumer was 29.16 cents of which 6.8 cents was profit, while for 1921 the gross margin was 26.16 cents of which 1.13 cents was profit. In 1913 expense, exclusive of profit, was 22.35 cents and in 1921 it was 25.03 cents, showing an average increase in operating cost of 2.67 cents and a

reduction of profit of 5.67 cents, while the proportion of merchandise cost included in the consumer's dollar was 4.0 cents.

Out of the profit indicated by these figures must be deducted such items as shrinkage in inventory value of merchandise, federal taxes and stock moving reductions in responses to price declines or movement of stock accumulation.

"Our report will show," said Chairman Anderson, "that clothing retailers took their largest profit from the consumer's dollar in 1913. From 1916 through 1921 the margin steadily decreased, except in 1919 when heavy sales temporarily reduced the ratio of expense to sales, resulting in a lower cost of operation for each dollar's worth of merchandise sold and a consequent increase in profit. In 1921 the industry showed a trade profit of 1.3 cents per dollar of sales. The report will show that the average profit of clothing retailers during the entire period, 1913 to 1921, was 6.10 cents per dollar of sales."

According to Chairman Anderson, the hardware profits for the same period averaged 5.35, with 8.3 cents per dollar of sales as the peak in 1916.

In the retail shoe trade, average profits for the entire period 1913-1921 were 6.17 cents per consumer's dollar. The high profit mark was reached in 1919 when the average profit was 9.36 cents.

Retail dry goods profits averaged 5.3 cents over the same period and were highest in 1916 when they averaged 7.3 cents per dollar.

One of the outstanding defects shown by tables of distribution," said Chairman Anderson, "is the retailer's failure to purchase stock in a manner that will provide a steady, even flow of merchandise to the consumer without accumulation of surplus stock, which ties up capital and credit and adds to

Castle Apartments

Nathan Hubbard and O. Chambers, of the Castle Apartments, entertained a party of friends Saturday evening. The guests were entertained by Miss Marjorie Walker, a professional piano player of San Diego, and Marshall Johnson, a very talented singer of the Apartments. Dancing was indulged in and refreshments of ice cream and cake were served by the hosts. The guests were Mr. and Mrs. William Thomas, Mr. and Mrs. R. M. Johns, Mrs. Lucile Welch, Mr. and Mrs. M. Horn, Mr. and Mrs. Wm. Cooper, Mrs. Edith Barton, Miss Floy Holo-way, Miss Margerite Walker, Marshall Johnson, Tony Atkins, James Scott, James Day, B. C. Hubbard, Mr. Bradford, Robert Cotton, C. N. Curtis, Harold McCullum, John Hancock and Russel Hern.

Concerts Scheduled In Evenings All Week

Both the Pacific Electric Band, of 55 pieces and the Redondo Beach Band will give concerts during the week. Straight ahead signs are on all roads leading into Torrance, and we have a hunch that they will be crowded all this week. Neighboring cities are addressing their interest in the fair, which is a good omen.

his cost of operation. One of the factors of waste in distribution is in idle merchandise stock on the shelves of the retailers and the warehouses of the wholesalers. When this burden is permitted to develop it must be passed along to the consumer if the retailer remains in business.

"In particular, overstocking by retailers represents over-stimulation and over-selling by manufacturers and wholesalers. It also represents in part the dealer's desire to secure quantity discount in the belief that he can more successfully meet competition by under-selling competitors. In order to do this, however, he must dispose of merchandise in reasonable time or lose the earning value his capital would have if it were more rapidly turned. Our inquiry shows that the merchandise discount sometimes termed the 'free deal' is a disappearing evil in business. It should disappear because it results in a dealer ordering more than his community can absorb in a reasonable time and adding a further supply of the same kind of merchandise he already has in stock, thereby intensifying an already overstocked condition. The 'free deal' is dishonest. It purports to be a gift of merchandise, while as a matter of fact the price the retailer pays includes a profit for the manufacturer on the entire amount of goods delivered, including that which purports to be free."

The Joint Commission's report will recommend that retailers cooperate more closely with community organizations whose purpose it is to improve social, civic, commercial and industrial conditions.

"In agricultural communities," the Chairman said, "the retailers should maintain contact with farm-bureau demonstrators, agricultural colleges, and workers, with a view to assisting in activities that tend to improve production, marketing, transportation, and social conditions on the farm. In co-operating with such organizations he is constructively creating greater opportunity for his own success."

"The report will emphasize the commission's belief that the more consumers concentrate purchases in their community, the lower will be the operating expense of local dealers, and that the consumers will be benefitted thereby through the lower prices made possible by lower selling expense."

After you have read this paper—pass it along.

UNION TOOL TAKE FINAL GAME 3 TO 1

Hammond and His Men Bring Home The Bacon

The Union Tool Club won the final game of the series from the Buick team last Saturday, three to one, thus copping the honors in the first playoff series of the Saturday League. The game was played at Sawtelle, a neutral ground, and was witnessed by a large number of rooters from both Torrance and Los Angeles.

Like the game staged at Torrance a little over two weeks ago, when the Buicks took the first game on luck, 1-0, it developed into a real pitchers' battle. Sweet pitched his own steady game all the way, and only one run was scored off him, and that in the early part of the game.

Margozewitz had his way up until the eighth inning, allowing but one run to count for the local boys, but two more were put across in this frame on two doubles and a single, which put the game on ice for Manager Hammond and his strong organization.

Much credit is due "Rev." Sweet for his fine work in the box in these last three games, and he has made outsiders see that Torrance has a base ball team that means business.

Box score:
Union Tool 1 0 0 0 0 0 2 0—3
Buicks ----0 0 0 1 0 0 0 0—1
Three-base hits—Atwood, James.
Two-base hits—Atwood, Lakey, James. Sacrifice hits—Arnold, Keer
Bases on balls—Off Sweet, 3; off Margozewitz, 2. Struck out—By Sweet, 10; Margozewitz, 6; Umpires—Ralls and Alfleck. Time of game—1 hour, 55 min.

All Late Models of Autos Are Shown

The Automobile exhibit will be complete, for every make of car and the latest model have already located their space and it will take a tent 100x180 to house them. The Industrial Exhibit, occupies all the space under a 60x140 tent, and another equally as large tent will protect the exhibits of the various cities through their Chambers of Commerce. The amusements will be well provided for and will be clean and wholesome, and of the highest character. The Music will be furnished by the Pacific Electric Shop Band of 55 pieces and the Redondo Beach Band on Redondo night.

Willard Battery Service to Move

A fine location has been set aside for the Willard Battery Service Station in Palmer's New Garage, which is nearing completion. The structure will be of brick, with beautiful ornamental outlines, and the entire lot not under cover will be of solid cement. A double driveway has been planned and all roads will lead to the Willard Battery Service.

ALL BADGERS PICNIC.

All who ever lived in Wisconsin are invited to meet for picnic reunion all day, Saturday, August 26, in Sycamore Grove Park, Los Angeles. Bring your baskets well filled and share with friends. Coffee will be served free to all who buy the silk souvenir badges.

Torrance Fiesta, August 15-19

Why not make Your Home in Redondo Beach

In Beautiful Clifton-by-the-Sea?

The prices are low for high class Bungalows—here are a few very choice bargains:

6-room Modern House, garage, for \$5500 or a 5-room Modern Bungalow, garage, for only \$4500.

W. S. YOUNG

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